INTER-INDUSTRY WAGE DIFFERENTIALS: EVIDENCE FROM BELGIUM IN A CROSS-NATIONAL PERSPECTIVE**

BY

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Summary

This paper examines the existence and magnitude of inter-industry wage differentials in Belgium. Using the 1995 *Structure of Earnings Survey*, a rich employer-employee matched database, we find significant sectoral wage differentials among workers who are apparently similar from the point of view of their individual characteristics and working conditions. Results also suggest that these differences derive partly from the features of the employers in each sector (size of the establishment, bargaining regime). In an international perspective, results fit in with findings from earlier studies on the existence of a negative relation between the dispersion of inter-industry wage differentials and the degree of corporatism.

Key words: Belgium, corporatism, inter-industry wage dispersion.

1 INTRODUCTION

The empirical debate about the causes of earnings inequalities was reopened at the end of the 1980s by an article by Krueger and Summers (1988). The authors highlighted the fact that the structure of wages in the USA was not compatible with the neo-classical model, according to which wage differentials in equilibrium are explained either through differences in the quality of the labour force – measured in terms of productive capacity – or by so-called compensating differences. In other words, they showed that wage disparities persisted among agents with apparently identical individual characteristics and working conditions, employed in different sectors. Since then, similar results have been obtained for numerous industrialised countries (cf. Araï et al. (1996), Ferro-Luzzi (1994), Hartog

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et al. (1997, 1999), Lucifora (1993) and Vainiomäki and Laaksonen (1995)). Accordingly, the existence of sectoral effects has become an accepted fact in the economic literature. There is, moreover, general agreement on the fact that these effects are persistent, closely correlated from one country to another (cf. Helwege (1992)), and of varying dimensions in the industrialised countries (cf. Hartog et al. (1997)).

In seeking to explain the diversity of sectoral effects observed in the OECD countries, economists have turned their attention to the characteristics of industrial relations systems, and much can be learnt from their findings. Certain studies indeed suggest that sectoral effects are considerably greater in countries with little corporatism, regardless of the period studied (cf. Barth and Zweimüller (1994), Edin and Zetterberg (1992), Hartog et al. (1997), and Teulings and Hartog (1998)). The concept of corporatism, borrowed from political science, resembles the level of centralisation of collective bargaining as well as the degree of co-ordination between the social partners. However, as this concept has not been defined in one single way, there are differences in opinion as to the relative position of the industrialised countries on the scale of corporatism (cf. OECD (1997)). The Scandinavian countries and Austria are nevertheless always in the category of strongly corporatist countries, whereas the USA and Canada are invariably at the bottom of the ranking. Depending on the authors, Belgium is ranked intermediate or high on the scale of corporatism.

Various reasons may explain these inter-industry wage differentials. They may, of course, stem from the fact that the non-observed individual characteristics of the employees are not distributed randomly among industries. In this case, the most well paid sectors would simply be those in which the non-observed quality of the labour force is the highest. However, they may equally stem from the specific characteristics of the employers in each sector. Gibbons and Katz (1992) support the existence of significant sectoral effects on workers' wages. Their study, relating to the USA, in fact indicates that workers changing industry claw back a significant part of the inter-industry wage differential after their move. Conversely, Goux and Maurin (1999) and Abowd et al. (1999) show that in the case of France, the non-observed productive capacities of workers account for a substantial part of the inter-industry wage differentials. In sum, there is consensus on the existence of sectoral effects on workers' wages but their exact scale is still highly questionable. Furthermore, although alternative explanations based on efficiency wage mechanisms or rent-sharing have been put forward, 'the existence of these differentials is still not clearly understood and remains an intricate and unresolved puzzle' (Hartog et al. (1999, p.1)).

The present paper examines the existence and magnitude of inter-industry wage differentials in the Belgian private sector on the basis of the 1995 *Structure of Earnings Survey*. Although the effect of sectoral affiliation on workers' wages has been a topic of great interest, there is no evidence for Belgium. Such an analysis in fact requires a major worker-firm matched database which is available at the

moment. This contribution attempts to fill this gap by addressing the following questions: (i) Can we observe inter-industry wage differentials in Belgium? (ii) What is their magnitude, and where do they come from? Can they be explained exclusively by the sectoral heterogeneity of the workers and their working conditions, or do they also derive from the specific features of the employers in each sector? and (iii) Do they support the hypothesis that the dispersion of inter-industry wage differentials is significantly lower in corporatist countries?

The organisation of the paper is as follows. Section 2 describes our data set. Sections 3 and 4 present the methodology and the empirical results in an international perspective. The last section concludes.

2 DESCRIPTION OF THE DATA

The present study is based upon the 1995 *Structure of Earnings Survey*, carried out by Statistics Belgium. This survey was conducted using a representative sample of 145,107 individuals working for 6015 establishments. It covers the Belgian establishments employing at least ten workers and which economic activities fall within sections C to K of the Nace Rev. 1 nomenclature. The survey contains a wealth of information, provided by the management of the establishments, both on the characteristics of the latter (e.g. sector of activity, region, size of the establishment, level of wage bargaining) and on the individuals working there (e.g. education, experience, seniority, earnings, number of working hours paid, gender, occupation).

The simultaneous use of data relating to wages and levels of education yields a representative sub-sample of 81,562 individuals working for 4092 establishments (cf. Demunter (2000)). The representative character of this sub-sample is illustrated in Table 1. It shows the distribution of the establishments / individuals with respect to the three stratification criteria used for the survey, i.e. region, principal economic activity (Nace groups) and size of the establishments, in the original sample and in the sub-sample. If we explore Table 1, no significant difference appears between the proportion of establishments / individuals in each stratum of both samples. Noteworthy is also that the sub-sample combining wages and educational levels only consists of persons employed in establishments that gave details about the educational level for at least 25% of the employees. Following Demunter (2000, p. 52), 'this limit was used to avoid the non-representativity of the data supplied.' Finally, it should be highlighted that the mean (standard deviation) of the gross earnings in the reference period (i.e. October 1995), including overtime paid and bonuses for shift work, night work and/or weekend work, does not significantly differ in both samples. Indeed, it reaches respectively 77,391 BEF (40,422.07) in the original sample and 77,095 BEF (39,170.69) in the sub-sample.[1]

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1 For an extended discussion on the representativity of the sample see Demunter (2000).

TABLE 1 – DISTRIBUTION OF ESTABLISHMENTS / INDIVIDUALS BY SURVEY
STRATIFICATION CRITERIA

	Frequency of establishments / individuals in:	
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	(i) original sample	(ii) sub-sample
Region		
Brussels	13.5 / 17.8	13.5 / 17.4
Wallonia	22.4 / 21.6	21.3 / 20.6
Flanders	64.1 / 60.6	65.2 / 62.0
Size (number of workers)		
10-19	50.9 / 13.4	52.0 / 13.7
20-49	31.5 / 20.4	29.1 / 19.5
50-99	9.1 / 12.9	9.8 / 12.9
100-249	5.7 / 18.2	6.3 / 19.5
250-499	1.8 / 12.3	1.9 / 13.2
500-999	0.6 / 8.6	0.7 / 9.0
> 1000	0.3 / 14.3	0.3 / 12.2
Sector		
Mining and quarrying (C)	0.3 / 0.3	0.3 / 0.3
Manufacturing (D)	24.9 / 39.0	24.1 / 39.6
Electricity, gas and water supply (E)	0.3 / 1.2	0.3 / 1.4
Construction (F)	14.3 / 9.0	10.2 / 8.4
Wholesale and retail trade; repair of motor vehicles (G)	28.3 / 19.4	31.7 / 20.6
Hotels and restaurants (H)	6.5 / 3.2	7.1 / 2.9
Transport, storage and communication (I)	10.0 / 10.1	10.8 / 8.8
Financial intermediation (J)	4.6 / 7.2	5.2 / 8.4
Real estate, renting and business activities (K)	10.9 / 10.8	10.2 / 9.5
Number of establishments / individuals	6015 / 145107	4092 / 81562

After the exclusion of individuals for whom one of the variables used entailed an incorrect[2] or missing[3] observation, the number of individuals in the sample falls by approximately 2.1% to 79,835 units. Finally, the exclusive selection of establishments which are at least 50% owned by the private sector brings the

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2 Observations in which tenure was greater than worker's age were deleted. This reduces the sample size by 1.4%.
3 Records with missing values for the level of wage bargaining or the variable showing whether the individual supervises the work of his co-workers were suppressed. This reduces the sample size by 0.7%. However, it can be shown that the results in sections 3 and 4 would not have been significantly different if these records had been taken into account.

definitive sample to 67,023 individuals. This selection is justified by the fact that wages in the public and private sectors are determined in very different ways. Taking into account establishments where economic and financial control is primarily in public hands would in fact be liable to skew our results.[4]

3 METHODOLOGY AND EMPIRICAL RESULTS

The methodology adopted to estimate inter-industry wage differentials and their dispersion is consistent with that of Krueger and Summers (1988). It rests upon the estimation of the following semi-logarithmic wage equation:

$$\ln w_i = \alpha + \sum_{j=1}^{J} \gamma_j X_{j,i} + \sum_{g=1}^{G} \beta_g Y_{g,i} + \sum_{l=1}^{L} \delta_l Z_{l,i} + \varepsilon_i \tag{1}$$

where w_i represents the gross hourly wage of the individual i ($i=1, ..., N$); X is the vector of the individual characteristics of the workers and their working conditions (7 indicators showing the highest completed level of education; seniority within the current company and its square; a dummy variable controlling for entrants, i.e. individuals with no seniority; prior experience, its square and its cube; sex; number of hours paid; a dummy for extra paid hours; 22 occupational dummies; 2 regional dummies indicating where the establishment is located; 3 dummies for the type of contract; an indicator showing whether the individual is paid a bonus for shift work, night-time and/or weekend work and a dichotomic variable indicating whether the individual supervises other workers); Y comprises dummy variables relating to the sectoral affiliation of the individuals; Z contains employer characteristics (the size of the establishment and the level of wage bargaining); α is the intercept; γ, β and δ are the parameters to be estimated and ε_i is an error term (see the appendix for a detailed description of the variables).

Table 2 reports the estimates of the industry wage differentials for Nace two-digit industries.[5] These are shown as deviations from the employment-weighted mean. As a summary statistic, we present the employment-weighted and adjusted standard deviation of the industry wage differentials.

Column (i) of Table 2 contains the *gross* wage differentials, i.e. estimated without control variables. These are significant at the 5% level, both in individual terms (with the exception of one sector) and globally (see appendix for estimates

TABLE 2 – INTER-INDUSTRY WAGE DIFFERENTIALS AND THEIR DISPERSION, 1995

Industry (Nace 2-digit)	Variables included in the wage equation:		
	(i) Y	(ii) X, Y	(iii) X, Y, Z
Other mining and quarrying	0.027	0.000	0.018
Manufacture of food products and beverages	− 0.080	− 0.016	− 0.012
Manufacture of tobacco products	0.039	0.026	0.019
Manufacture of textiles	− 0.180	− 0.066	− 0.069
Manufacture of wearing apparel; dressing and dyeing of fur	− 0.273	− **0.123**	− 0.109
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	− 0.236	− 0.019	− 0.026
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	− 0.144	− 0.053	− 0.031
Manufacture of pulp, paper and paper products	0.074	0.095	0.067
Publishing, printing and reproduction of recorded media	0.093	0.085	0.095
Manufacture of coke, refined petroleum products and nuclear fuel	0.379	0.207	0.193
Manufacture of chemicals and chemical products	0.240	0.137	0.104
Manufacture of rubber and plastic products	− 0.001	− 0.001	0.001
Manufacture of other non-metallic mineral products	0.030	0.039	0.028
Manufacture of basic metals	0.196	0.083	0.024
Manufacture of fabricated metal products, except machinery and equipment	− 0.088	− 0.019	− 0.004
Manufacture of machinery and equipment n.e.c.	− 0.006	− 0.021	− 0.042
Manufacture of office machinery and computers	− **0.223**	− 0.037	0.021
Manufacture of electrical machinery and apparatus n.e.c.	0.011	0.032	− 0.002
Manufacture of radio, television and communications equipment and apparatus	0.186	0.060	0.018
Manufacture of medical, precision and optical instruments, watches and clocks	0.093	0.027	0.020
Manufacture of motor vehicles, trailers and semi-trailers	0.054	0.041	− 0.036
Manufacture of other transport equipment	0.162	0.065	0.016
Manufacture of furniture; manufacturing n.e.c.	− 0.169	− 0.089	− 0.076
Recycling	− 0.302	− 0.089	− 0.059
Electricity, gas, steam and hot water supply	0.415	0.256	0.229
Construction	− 0.079	− 0.022	0.000

TABLE 2 (CONTINUED)

Industry (Nace 2-digit)	Variables included in the wage equation:		
	(i) Y	(ii) X, Y	(iii) X, Y, Z
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	− 0.074	− 0.067	− 0.031
Wholesale trade and commission trade, except of motor vehicles and motorcycles	0.042	− 0.030	− 0.003
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	− 0.257	− 0.119	− 0.110
Hotels and restaurants	− 0.342	− 0.142	− 0.097
Land transport; transport via pipelines	− 0.200	− 0.082	− 0.059
Water transport	0.260	0.170	0.180
Air transport	0.142	0.134	0.159
Supporting and auxiliary transport activities; activities of travel agencies	0.023	0.011	0.031
Post and telecommunications	0.477	0.296	0.254
Financial intermediation, except insurance and pension funding	0.328	0.145	0.113
Insurance and pension funding, except compulsory social security	0.222	0.079	0.054
Activities auxiliary to financial intermediation	0.092	− 0.020	0.009
Real estate activities	− 0.121	− 0.081	0.004
Renting of machinery and equipment without operator and of personal and household goods	− 0.005	− 0.056	− 0.035
Computer and related activities	0.206	− 0.005	0.006
Research and development	0.314	0.073	0.057
Other businesses activities	− 0.035	− 0.014	0.009
R^2 adjusted	0.250	0.689	0.701
F-test relative to the estimated relation	8331	26966	27593
F-test relative to the sectoral dummies	8331	2921	2170
Weighted adjusted standard deviation of industry differentials	0.184	0.089	0.074
Number of industries	43	43	43
Number of observations in the sample	67023	67023	67023

All the estimates are at least significant at the 5% level, except those in bold. *Y*: sectoral dummies, *X*: individual characteristics and working conditions, *Z*: specific features of the companies.

of the wage equation). The best-paid sector is post and telecommunications[6]: the average worker here earns 58.4% more than the average worker in the economy. This sector is followed by the electricity, gas, steam and hot water supply sector (+48.9%); manufacture of coke, refined petroleum and nuclear fuel industries (+43.6%) and financial intermediaries, except insurance and pension funding (+36.6%). The hotel and restaurant sector is at the very bottom of the wage scale: the average worker's wage there is 30.1% lower than that of the average worker in the economy. At the bottom of the scale, we also find recycling (-27.3%), manufacture of wearing apparel, dressing and dyeing of fur (-25.2%), and retail trade, except of motor vehicles and motorcycles, and repair of personal and household goods (-24%). Moreover, we note that the weighted adjusted standard deviation of the gross industry wage differentials is 18.4%.

Column (ii) of Table 2 records the inter-industry wage differentials stripped of the productive characteristics of the individuals and their working conditions. We observe that the latter are smaller than the gross wage differentials; but compared to the average worker in the economy, the wage differentials still fluctuate between +38.3% in the post and telecommunications sector and –15.3% in the hotel and restaurant sector. Noteworthy is also that controlling for individual characteristics and working conditions reduces the dispersion in the wage differentials by about 50%.

Column (iii) of Table 2 reveals that the inclusion of the size of the establishments and the level of wage bargaining, in addition to the individual characteristics and working conditions, also gives rise to a reduction in sectoral wage differentials. However, these are still significant at the 5% level, both in individual terms (with the exception of one sector) and globally. The weighted adjusted standard deviation of the industry wage differentials is now 7.4%.[7]

In addition, it is interesting to note that the sectoral wage structure reported in Table 2 is similar to that observed in other industrialised countries (see, for example, Barth and Zweimüller (1994) for a comparison with Austria, Germany, Canada, Norway, Sweden, and the USA).

To sum up, our results emphasise the existence of inter-industry wage differentials, independently of the configuration adopted. They likewise suggest that their structure is comparable to that observed in other industrialised countries and that they result in part from the characteristics of the employers in each sector.

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6 This sector represents 0.4% of our entire sample (after weighting). Approximately 87% of the individuals included in this category work in the telecommunications sector, as against only 13% in postal activities. This asymmetry derives from the fact that the national mail service is not included in our analysis. Accordingly, the wage differential associated with the post and telecommunications sector basically reflects the wage disparity recorded in the telecommunications sector.

7 When all establishments within sections C to K of the Nace nomenclature are taken into account (disregarding their economic and financial control, i.e. 79,835 observations), the weighted adjusted standard deviation of industry wage differentials is 7.3%.

4 AN INTERNATIONAL PERSPECTIVE

Table 3 reports the value of the dispersion of inter-industry wage differentials for Belgium and for 12 other industrialised countries as estimated by Ferro-Luzzi (1994) and Teulings and Hartog (1998). The latter provide an interesting reference framework for the evaluation of our findings from an international perspective. Nevertheless, it is clear that such a comparison needs to be carried out with the greatest of care. The point is that the scale of the estimated wage disparities between different industries depends heavily upon the specification of the wage equation, the sectoral nomenclature used, the field covered by the data,[8] the period under investigation,[9] and the position of the country in the business cycle.

In order to test the relation between the dispersion of inter-industry wage differentials and the characteristics of the collective bargaining arrangements, two indicators measuring the degree of corporatism of the industrialised countries have also been included in Table 3. These are the Bruno and Sachs (1985) and Calmfors and Driffill (1988) indices. The former reflects the privileged level of bargaining (national, sectoral or company) as well as the ability of the social partners to ensure compliance with their agreements at the lower bargaining levels (degree of vertical co-ordination), while the second exclusively measures the formal level of the bargaining. It thus does not take account of the level of co-ordination between the social partners.

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8 It is important to note that the data for Belgium only refer to establishments with 10 or more workers in the private sector, while the data set used by Teulings and Hartog (1998) covers all firms (independently of their size) in the private and public sectors. As pointed out by an anonymous referee, who is kindly acknowledged, one might generally expect that inter-industry wage differentials differ by firm size. For instance, smaller firms are likely to have less detailed job descriptions and no seniority-based automatic wage adjustments. This might lead to a smaller bandwidth of wage differences in these firms. Alternatively, there is a large body of empirical evidence supporting the existence of firm size wage differentials (cf. Oi and Idson (1999)). If firms of different sizes are not distributed uniformly over industries, this might bias the results (although the main effects will be picked up by the inclusion of firm size in the wage equation). Overall, whether the omission of small firms leads to an over- or underestimation of the true dispersion of inter-industry wage differentials in Belgium remains an open question. An anonymous referee calculated on Dutch data (Loonstructuuronderzoek) that excluding firms with less than 10 employees reduces the dispersion of industry-wage differentials (estimated for 23 sectors) by respectively 6% and 5% for 1996 and 1997. These findings suggest that differences in the weighted-adjusted standard deviation due to the omission of small establishments are noteworthy, but not that large. Even though the proportion of all employees working in establishments with less than 10 employees is similar in Belgium and the Netherlands (about 20%, cf. ONSS (1996)), it is unclear whether this conclusion also holds for Belgium.

9 The data for Belgium are more recent (1995) than those in the study of Teulings and Hartog (1998) and Ferro-Luzzi (1994), i.e. 1981 to 1992. It should be noted that over a period of 15 years, the ranking of countries with respect to the dispersion of inter-industry wage differentials might have changed somewhat *inter alia* because of the European integration process and the deregulation of certain industries. Therefore, any interpretation of the results presented in Table 3 must be considered with great care.

TABLE 3 – COLLECTIVE BARGAINING AND THE DISPERSION OF INTER-INDUSTRY WAGE
DIFFERENTIALS

Country	Year	# Sectors	DISP[+]	Degree of corporatism:	
				Calmfors and Driffill [a]	Bruno and Sachs [b]
Sweden	1981	31	0.044 [c]	14	12
Austria	1983	24	0.050 [c]	16	16
Denmark	1990	18	0.054 [c]	13	10
France	1992	36	0.058 [c]	7	5
Finland	1987	27	0.065 [c]	12	9
Netherlands	1985	42	0.066 [c]	10	14
Belgium	**1995**	**43**	**0.074 [d]**	**9**	**8**
Norway	1989	29	0.085 [c]	15	13
Germany	1988	34	0.110 [c]	11	15
Switzerland	1991	40	0.113 [e]	3	11
UK	1991	59	0.143 [c]	6	6
USA	1988	44	0.141 [c]	2	1
Canada	1982	16	0.171 [c]	1	2

Correlations between the DISP[+] and the degree of corporatism:
Spearman	–0.776**	–0.476
Pearson	–0.800**	-0.597*

* $p < 0.05$, ** $p < 0.01$. [+] Dispersion of inter-industry wage differentials. [a] Reversed
Calmfors and Driffill (1988) corporatism index (16 = highly corporatist country). [b] Reversed Bruno and Sachs (1985) corporatism index (16 = highly corporatist country). [c] Teulings and Hartog (1998). [d] Own calculations. This result rests upon the estimation of a wage equation containing, as explanatory variables, 43 sectoral indicators and the vectors X and Z (see column (iii) of Table 2). [e] Ferro-Luzzi (1994).

If we explore Table 3, we note that Belgium occupies a middle position among the industrialised countries with regard to the dispersion of inter-industry wage differentials. The scale of the latter is indeed lower than the figures recorded in the Anglo-Saxon countries (Canada, the USA, and the UK), Switzerland and Germany, and slightly higher than those in the Scandinavian countries (with the exception of Norway), Austria, France, and the Netherlands. Moreover, our results fit in well with findings from earlier studies on the existence of a negative relation between the dispersion of inter-industry wage differentials and the degree of corporatism.

5 CONCLUSION

This paper has highlighted the fact that the structure of wages in the Belgian private sector is incompatible with the neo-classical model, according to which wage disparities in equilibrium are explained either by differences in the quality of the labour force, or by so-called compensating differences. We found, indeed, that the wages of workers differ significantly by industry, even when controlling for workers' individual characteristics and working conditions. Our results also suggest that these differences derive partly from the characteristics of the employers in each sector (size of the establishment, wage bargaining regime). Hence, they indicate that the determination of wages within each industry is influenced by the organisational and technological characteristics of the establishments making it up. In an international perspective, our findings fit in with results from earlier studies on the existence of a negative relation between the dispersion of inter-industry wage differentials and the degree of corporatism.

APPENDIX

MEAN (STANDARD DEVIATION) OF SELECTED VARIABLES AND RESULTS OF THE WAGE EQUATION

	Mean (standard deviation) [1]	Regression coefficients [2]	t-statistics
Explained variable: Ln of the gross hourly wage in BEF (1 EURO = 40.3399 BEF). It includes overtime paid and bonuses for shift work, night work and/or weekend work. Pay for holiday, 13th month, arrears, advances, travelling expenses etc. are excluded. [3]	481.03 (224.02)		
Explanatory variables : Intercept		5.532**	1455.16
Education Primary or no degree: 0-6 years (reference)	9.7	Reference	
Lower secondary: 9 years	24.3	0.052**	68.01
General upper secondary: 12 years	18.4	0.137**	154.65

	Mean (standard deviation) [1]	Regression coefficients [2]	t-statistics
Technical/Artistic/Prof. upper secondary: 12 years	24.9	0.127**	154.81
Higher non-university short type, higher artistic training: 14 years	13.9	0.222**	219.19
University and non-university higher education, long type: 16 years	8.4	0.391**	327.90
Post-graduate: 17 years or more	0.5	0.519**	176.35
Prior experience (experience accumulated on the labour market before the last job, years)			
Simple	9.49 (8.52)	0.016**	117.13
Squared/10^2		-0.037**	-40.02
Cubed/10^4		0.022**	13.23
Seniority in the company (years)			
Simple	9.85 (9.03)	0.017**	223.60
Squared/10^2		-0.018**	-72.76
Dummy=1 if the individual has no seniority	0.8	-0.011**	-5.04
Female	31.4	-0.122**	-238.68
Region (geographical location of the establishment)			
Brussels	17.6	Reference	
Wallonia	19.4	-0.036**	-50.66
Flanders	63.0	-0.039**	-65.97
Supervises the work of his or her co-workers (Yes)	16.3	0.105**	167.48
Hours (ln of number of hours paid, including overtime paid) [3]	159.65 (27.13)	-0.002**	-2.96
Bonus for shift work, night work and/or weekend work (Yes)	15.1	0.056**	88.51
Overtime paid (Yes)	7.3	0.029**	37.30
Size of the establishment (ln of number of workers) [3]	500.89 (1145.09)	0.030**	179.61
Level of wage bargaining			
Collective agreement only at the national and/or sectoral level	51.7	Reference	
Collective agreement at the company level	39.3	0.022**	41.84

	Mean (standard deviation) [1]	Regression coefficients [2]	t-statistics
Other	9.0	-0.018**	-24.36
R^2 adjusted		0.701	
F-test		27593**	
Number of observations	67023	67023	

[1] The descriptive statistics refer to the weighted sample. [2] Model estimated by ordinary least squares. 22 occupational dummies, 43 indicators of sectoral affiliation and 3 dummies for the type of contract have also been included in the regression. [3] Mean and standard deviation refer to the variable in level.
* $p < 0.05$, ** $p < 0.01$.

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